



Resolution Statement: Workgroup# 161 - Full Service Single Source ACS Chargebacks.

Official date of completion 2/28/2014

Purpose of the Workgroup #161

Mailers who participate in Single Source ACS (SSA) have noticed a significant and costly amount of monthly SSA Chargebacks. The PO!/SASP systems control what constitutes a chargeback. It has been determined that many of these chargeback transactions are invalid. Some contributing factors have been identified, but not fixed. The chargeback transactions that cannot be explained are due to the mail pieces not being found in eDoc.

Participation and Discussion Format

Work Group #161 was formed to investigate the current SSA process and provide any recommendations to ensure the business rules are understood by the industry participants and the charge back records are accurate.

Group meetings started 10/28/2013 and have been held weekly. There were 2 face-face meetings during MTAC week in USPS Quarters 1 and 2 of 2014.

Attendee's ranged from Periodical flats mailers, Standard letter and flats mailers, First Class letter and flat mailers as well as mail consolidators as well as technology vendors. Active participants are listed below:

Member Name	Company	Representing
Bray, Kevin	USPS- BMA	Postal Chair
Whittington, John	TCS Time INC	Industry Chair
Racine, Adam	SASP	USPS- SASP
West, Lisa	USPS- NCSC	HQ NCSC
Anagnostopoulos, Angelo	Grayhair Software	Industry member
Arnette, Charles	USPS- NCSC	USPS member
Bowes, Lisa	Intelisent	Industry member
Collison, Adam	Grayhair Software	Industry member
Elkin, Kevin	RR Donnelly	Industry member
Fisher, Kai	USPS- NCSC	USPS member
Jamieson, Bill	Bell and Howell	Industry member

Kaled, Tom	Cummins Printing	Industry member
Kalus, Judy	Pitney Bowes	Industry member
Kaufman, Steve	Fairrington	Industry member
Kelly, Lina	TCS Time INC	Industry member
Kramer, Allan	CDS- Global	Industry member
Krejcik, Steven	Pitney Bowes Presort	Industry member
Rheaume, Mark	Accuzip	Industry member
Stark, John	Conde Nast	Industry member
Stifter, John	Ass. of Marketing Svs Providers	Industry member
Stoskopf, Paula	Fairrington	Industry Member
Stumbo, Randy	Meredith	Industry member

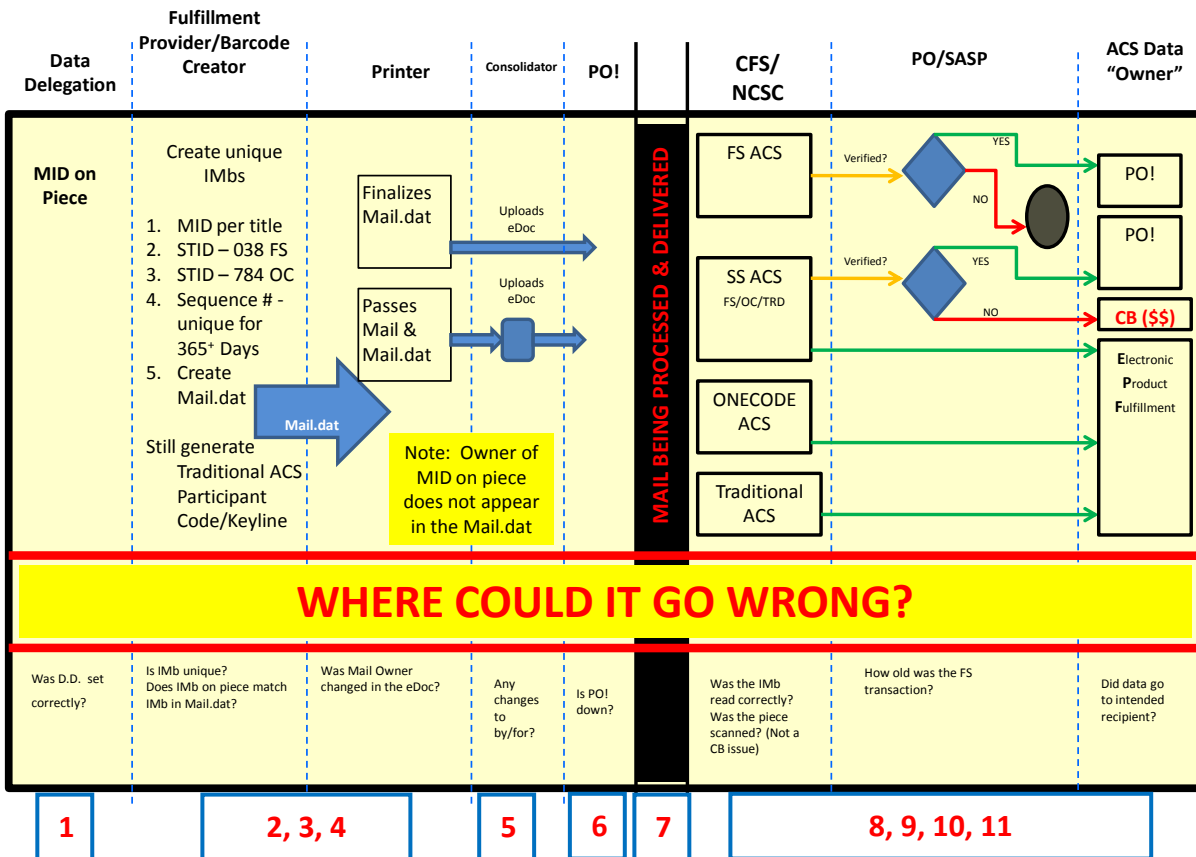
USPS-SASP provided in-depth descriptions of the current Postal business rules that determine the ACS chargeback process. Mailers provided their MID's to SASP to develop a deep dive analysis to identify root causes of the charge backs. In each case, the SASP data used current business rules to determine if a chargeback “would have” occurred.

Each mailers specific data was provided directly to the owner to protect any proprietary information on the supply chain. In-depth analysis of the MID was provided to each industry member in the form of an Excel workbook. The workbook detailed the total undocumented and broke each down into specific reasons. The industry shared many of these workbooks for their company during the work group sessions. The Industry also shared places in their supply chain where Full Service ACS records could be lost.

The group identified the 10 causes of SSA chargebacks and defined the root cause for each. These specific reason codes helped industry partners identify internal supply chain errors as well as Postal systemic processes that were faulty. These were the base for three of the recommendations from the group. Each industry member mail presented a unique set of supply chain events and processes that provide electronic documentation to the USPS. The weekly meetings focused on data analysis SASP provided to the specific mailer supply chain.

Although each Mailer's/MSPs data supply chain with ACS is unique there are similarities. The following flow chart represents one data supply chain identifying possible gaps where Full Service ACS data could be lost.

ACS PROCESS FLOW – PERIODICAL SCENARIO 1



The flow chart represents the multiple touch points that could impact the proper dissemination of Full Service ACS data.

- 1. Is the data delegation set up correctly in the Business Customer Gateway?**
 - Incorrect setup could cause the ACS data not to be fulfilled or sent to the wrong party.
- 2. Have the correct Service Type IDs (STIDs) been used for the class of mail?**
 - Some mailers are using old or incorrect STIDs which do not fulfill the ACS transactions properly.
- 3. Is the IMb's MID, STID and Sequence number unique for a minimum of 45 days?**
 - In some mailer processes, the IMb could have been duplicated.
- 4. Does the IMb in the eDoc match the IMb printed on the physical piece?**
 - In looking closely at the data, the WG has identified Industry programming/processes which could make the IMb on the piece vary from the IMb in the eDoc.
- 5. Has the printer or consolidator altered the by/for information from what was intended?**
 - Changing the by/for information in the eDoc from causes the Full Service ACS information not to flow to where it was intended.

6. Is Postal One down?

- If PO! is down and a hard copy statement is generated without a proper eDoc being uploaded later then the Full Service ACS data is at risk of not being fulfilled.

7. ACS is an “after mailing” address correction process.

- The nature of the ACS process, especially with Periodicals and flat mail, is that the ACS transaction can happen long after the mail is entered. Almost immediately the WG was able to identify many ACS charge backs that would have been considered valid if the SASP system looked back further than 45 days.

BRIEF ACS DEFINITIONS AND PROCESS

8. Full Service ACS

- FS ACS is fulfilled through the Postal One system for the pieces that have a FS STID within the IMb and meet the qualifications of Full Service as determined by the Seamless Acceptance Service Performance (SASP) system. If it is determined the piece did not qualify for Full Service, the transaction will be deleted. When fulfilled, these transactions are at no charge.

9. One Code ACS

- OC ACS is fulfilled through the Electronic Product Fulfillment (EPF) file for the pieces that have a One Code STID within the IMb and the MID has been registered with the National Customer Support Center (NCSC). The charge for these transactions vary by mail type

10. Traditional ACS

- Traditional ACS is the original ACS method which uses a Participant Code and Keyline to fulfill the data through the EPF.

11. Single Source ACS

- SSACS is process to receive all methods of ACS through a single file fulfilled through the EPF. Full Service transactions that have been fulfilled that are later determined not to qualify for FS are billed through a chargeback file.

Recommendations

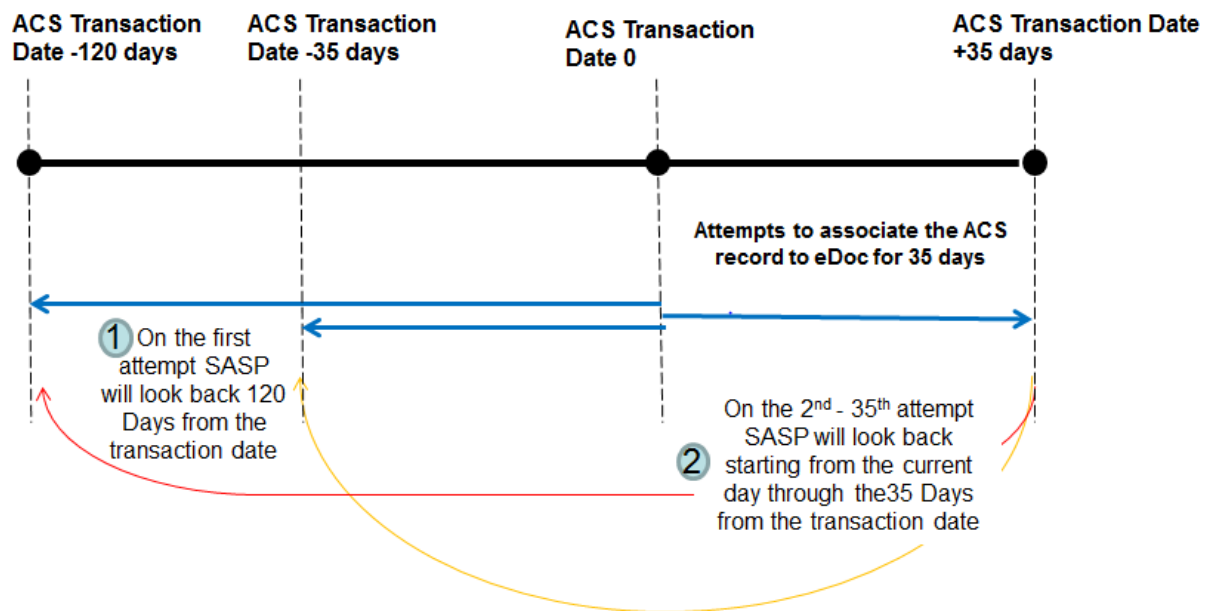
Work Group #161 is providing the following recommendations to the Single Source ACS billing.

- 1- Current state Full Service ACS records only include 2 bill reason codes. It is recommended to include unique reason codes for easier investigation. The chart below provides a current and proposed “reason code”. This change would be in the SASP, ACS and PO! systems.

Current	Proposed	Reason	Description
N	S	Short IMb	The IMb on the ACS notice is less than 31 digits. NOTE: Single Source ACS identifies Full Service Short Barcodes with the “F” code in the Shipping Notice that is provided with the fulfillment file. They are not listed in the chargeback Report
N	B	Invalid By/For	The Mail Owner was not identified in eDoc.
N	D	Duplicate IMb	The IMb is not unique across all mailings from all eDoc submitters for the past 45 days.
N	I	Invalid MID	The Mailer ID in the IMb is not registered with the USPS Mailer ID system.
N	N	Non Full Service	The piece contains a Full Service STID and is not identified as Full Service in eDoc.
N	M	Piece/eDoc Mismatch	The IMb in the eDoc does not match the IMb printed on the piece.
N	L	Delayed ACS	The ACS record was received more than 45 days from the postage statement mailing date in eDoc.
N	-	eDoc Failure	eDoc failed to load into SASP and/or PO!.
N	U	Undocumented	The IMb from the ACS record could not be found in any eDoc.
E	E	Threshold Expired	The ACS records were received after the free charge threshold expired for the mailer to that delivery point.

- 2- Current business rules related to FIRM Bundles exclude Full Service IMb mail pieces from associating to eDoc. This prevents fulfillment and bills for each of the records. The work group recommends that USPS Associate Full Service IMb mail pieces from eDoc with a rate category of **FIRM**. USPS will Fulfill Full Service ACS records with a rate category of **FIRM** through *PostalOne!*. USPS will suppress billing for ACS records that associate to Full service IMb mail pieces with a rate category of **FIRM**. The current number of FIRM records being billed is approximately 2% of the current **ACS** records tied to physical mail pieces.

- 3- Current business rule for an ACS transaction to associate to an eDOC is 45 days + or - the date of transaction. The group recommends ACS transaction starts to “look back” in SASP database to the maximum available (currently 120 days) based on postage statement mailing date in eDoc. If IMb is not associated to eDOC in the initial step, SASP will attempt to associate to eDoc for 35 days from the transaction date. If no eDOC association is made for 35 days then a chargeback will be created. A graphical reference is provided below:



- 4- The Work Group also recommends that the resumption of the chargebacks be limited to specific “reason codes” identified by SASP process.
- **Short IMb**
 - **Invalid MID**
 - **Non Full Service**
 - **Piece/eDOC Mismatch**
 - **Invalid By/For**
 - **Duplicate IMb**

The reason codes listed below would **NOT** be charged:

- **Delayed ACS-** With the change to go back 120 days from the ACS transaction, there would no longer be a “delayed ACS record”. These would all be undocumented pieces

- **Undocumented-** The pieces not found in SASP would require a formation of a separate Work Group/Task Team to further investigate the reasons for the undocumented pieces. The Work Group #161 recommends that this be done after the 120 days following the SASP timeframe change to the chargeback process. It is unknown the impact this would have on the total Undocumented pieces until the process is updated.
 - **Threshold Expired-** The Work Group recommends that this be excluded from the charge process until the USPS can validate that these are not duplicated pieces within the PARS process. There is evidence that looping pieces in the Postal PARS process that causes duplicate ACS records for the same piece.
5. Establish a Full Service/SS ACS Certification MTAC WG
 - – An MTAC WG should explore the value for the USPS and the Industry on creating a Full Service/SSACS Certification. Many mailers have an established process in regards to Full Service ACS. The percent of non-qualified Full Service ACS transactions is very small. It is not a good proposition for the USPS or the Industry when the ACS data is not provided. This only adds to UAA mail or the mailer is at risk of receiving charges not anticipated and difficult to reconcile. If the mailer is able to show that 90+% of their Full Service ACS data is qualified, there should be a process for them to receive it all without being charged.
 6. Create a “Best Practices” document regarding Full Service/Single Source ACS – Through the various experiences of WG members transitioning to FS and/or SSACS, a compiled document of business strategies, learning experiences, and “what not to do” would be valuable for the Industry at large.

Conclusion

The work group has investigated the issues that necessitated the formation of the work group. The Work Group charter identified 6 desired results that have been satisfied:

1- Discuss/Document SSA chargeback process

2- Determine the contributing factors to the SSA Chargebacks.

There were 10 reason identified within the business rules that constitute and chargeback for Single Source and Full Service ACS. The 10 reason codes were identified in the first meeting and established a root cause for the analysis performed within each industry’s supply chain.

3- Distinguish which chargebacks are invalid.

The chargeback process is based on the business rules which are embedded in the SASP process. The business rules in place generate potentially invalid chargebacks to the receiver of the ACS transaction. The group did find an eDOC failure to load to SASP or PO! System did create invalid SAS chargebacks. The Work Group will provide specific recommendations to these processes in this document and provide a process to turn

ACS billing back on for some of the reason codes. We will also recommend a second group be formed to investigate “undocumented” records after the processes have been updated.

4- Determine the root cause within the mailer’s supply chain of valid chargebacks.

5- Identify system issues and provide recommended enhancements.

There were three specific processes within the current business rules that required modification. These are specifically identified in the recommendations portion of this document.

6- Resume SSA Chargeback billing after issues have been addressed

The resumption of the SSA chargeback billing is recommended to commence 120 days after the changes to the SASP process have been implemented. Specific SAS chargeback process is listed in the group recommendation portion of this document.

The group cannot resolve all of the systemic processes that are the cause of SAS chargebacks, but the adoption of our recommendations will provide significant improvement in the process. A formation of a future committee to investigate the remaining issues is recommended once the changes to the SASP process are in place.